

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:	PROMESA
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,	Title III
	No. 17-bk-3283-LTS
as representative of	(Jointly Administered)
THE COMMONWEALTH OF PUERTO RICO, et al.,	
Debtors.	

SUMMARY SHEET

**SECOND INTERIM APPLICATION OF PFM GROUP CONSULTING
LLC, CONSULTANT TO PROSKAUER ROSE LLP, AS COUNSEL TO
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR
PUERTO RICO, FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES,
FOR THE PERIOD SEPTEMBER 1, 2019-NOVEMBER 30, 2019**

Applicant:	PFM Group Consulting LLC
Authorized to provide services to:	The Financial Oversight and Management Board for Puerto Rico
Effective date of retention:	June 3, 2019
Compensation period:	September 1, 2019 –November 30, 2019
Compensation sought:	\$44,793.75
Expense reimbursement sought:	\$0.00
Total sought:	\$44,793.75
This is a: _ monthly <u>X</u> interim _final application	

SUMMARY OF TIME RECORDED IN COMPENSATION PERIOD

Name	Title	Hours Recorded	Total Fees
Michael Nadol	Managing Director	60.00	\$28,500.00
Shua-Kym McLean	Analyst	17.25	\$4,743.75
Beth Suchsland	Senior Managing Consultant	33.00	\$11,550.00

PRIOR INTERIM FEE APPLICATIONS

Period Covered	Date Filed	Fees Requested	Expenses Requested	Order Entered	Fees Allowed	Expenses Allowed
June 3 - August 31, 2019	11/15/2019	\$244,842.50	\$0.00	11/15/2019	N/A	

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THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO
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Debtors.¹

PROMESA

Title III

No. 17-bk-3283-LTS

(Jointly Administered)

**SECOND INTERIM APPLICATION OF PFM GROUP CONSULTING
LLC, CONSULTANT TO PROSKAUER ROSE LLP, AS COUNSEL TO
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PFM Group Consulting LLC, consultant to Proskauer Rose LLP, as counsel to the Financial Oversight and Management Board for Puerto Rico (“Oversight Board”), as representative of the Debtors pursuant to PROMESA section 315(b), submits its second interim application for allowance of compensation for services rendered from September 1, 2019 – November 30, 2019 (“Compensation Period”) in the amount of \$44,793.75, pursuant to PROMESA sections 316-17, Rule 2016, and Local Rule 2016-1, and respectfully states:

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (“Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

JURISDICTION

1. This Court has subject matter jurisdiction to consider this application, pursuant to PROMESA section 306(a). Venue is proper in this district, pursuant to PROMESA section 307(a).

BACKGROUND

2. The Commonwealth commenced its Title III case on May 3, 2017; COFINA commenced its Title III case on May 5, 2017;² HTA and ERS commenced their Title III cases on May 21, 2017; and PREPA commenced its Title III case on July 2, 2017. Pursuant to PROMESA section 315(b), the Oversight Board is the representative of each Debtor in its respective Title III case.

3. Proskauer Rose LLP (“Proskauer”) has been retained by the Financial Oversight and Management Board for Puerto Rico (the “Board”) created by the Puerto Rico Oversight, Management, and Economic Stability Act, 48 U.S.C. chapter 20 (“PROMESA”) as counsel in connection with matters relating to and arising out of implementation of the provisions of PROMESA. PFM Group Consulting has been engaged by Proskauer to provide consulting services assisting Proskauer in its representation of the Financial Management Board of Puerto Rico in these Title III cases by agreement, dated as of June 3, 2019. Under this agreement, PFM Group Consulting is entitled to compensation based on the hourly rates for each role noted below:

Managing Director: \$475

Director: \$395

Senior Managing Consultant: \$350

Senior Analyst/Analyst: \$275

4. As set forth in the agreement, PFM Group Consulting LLC was engaged as a Contractor to Proskauer to perform a range of services relating to the adversary proceedings relating to the Board in connection with the Board’s work surrounding the Commonwealth of Puerto Rico or its instrumentalities (the “Services”). The Services may include, but may not be

limited to, consulting services, litigation support at the direction of outside testifying experts, and the provision of expert testimony by PFM Group Consulting LLC.

5. For more than 25 years, PFM has provided financial and budget analysis, as well as collective bargaining and interest arbitration support to governments throughout the country. PFM Group Consulting has a seasoned team of professionals with experience in both traditional and interest-based collective bargaining environments, as well as an established track record in delivering a workforce and budget advisory services.

6. Michael Nadol, managing director at PFM and president of PFM Group Consulting LLC, holds a Master of Public Administration degree from the University of Pennsylvania's Fels Institute of Government and a B.A. in Political Science from Yale University, *Summa Cum Laude*. He has also taught on the adjunct faculty of the University of Pennsylvania's Master of Public Administration program, and served as an appointed adviser to the Government Finance Officers Association (GFOA) Committee on Governmental Budgeting and Fiscal Policy.

BASIS FOR RELIEF REQUESTED

7. PROMESA section 316(a) provides that this Court “may award to a professional person employed by ... the Oversight Board (in the Oversight Board's sole discretion) ... (1) reasonable compensation for actual, necessary services rendered by the professional, or attorney and by any paraprofessional employed by any such person; and (2) reimbursement for actual, necessary expenses.”

8. Pursuant to subdivision (c):

In determining the amount of reasonable compensation to be awarded to a professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—

(1) the time spent on such services;

(2) the rates charged for such services;

(3) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this chapter;

(4) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;

(5) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the restructuring field; and

(6) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title or title 11, United States Code.

9. PROMESA section 317 and the interim compensation order [ECF No. 3269] permit professionals to apply for allowance of compensation and reimbursement of expenses on an interim basis.

10. Each factor set forth in section 316(c) supports allowance of the compensation sought herein on an interim basis.

(a) Time spent on services rendered. PFM Group Consulting LLC team members spent 110.25 hours working on Title III matters during the Compensation Period. Time detail is annexed hereto as Exhibit 1.

(b) Rates charged. As set forth in the Nadol Certification (defined below),

the compensation sought is billed at rates no less favorable than those customarily employed by PFM Group Consulting LLC for similar services.

(c) Whether Services were necessary or beneficial. The services rendered were necessary to the administration of these Title III cases, and beneficial when rendered.

Proskauer, counsel to the Oversight Board, engaged PFM Group Consulting LLC to provide these services.

(d) Timeliness of services rendered. The services rendered were performed within a reasonable amount of time, given their complexity and importance to these Title III cases.

(e) Professional certifications; Restructuring Experience. As noted above, in addition to holding a Masters in Public Administration, Mr. Nadol has decades of experience advising state and local governments on financial recovery and collective bargaining, and the analytical expertise sought by the Oversight Board and necessary to the success of these cases.

11. The certification required by Local Rule 2016-1(a)(4) and Rule 2016 is annexed hereto as Exhibit 2 (“Nadol Certification”).

WHEREFORE, PFM Group Consulting LLC requests an order allowing interim compensation for services rendered during the Compensation Period in the amount of \$44,793.75, and granting such other and further relief as this Court deems just and proper.

Dated: March 16, 2020.

Respectfully submitted,

/s/ Michael Nadol

Michael Nadol

*Consultant to Proskauer Rose LLP, as
counsel to the Financial Oversight and
Management Board for Puerto Rico*

EXHIBIT 1

Time Detail

INVOICE NUMBER	MATTER NAME	DATE	TIMEKEEPER NAME	POSITION/TITLE	HOURLY RATE	HOURS	FEES	TASK DESCRIPTION
Customer Invoice: 106806	Promesa Title III	20190909	Michael Nadol	Managing Director	\$ 475.00	2	\$ 950.00	editing presentation
Customer Invoice: 106806	Promesa Title III	20190910	Michael Nadol	Managing Director	\$ 475.00	5	\$2,375.00	editing presentation; research and analysis
Customer Invoice: 106806	Promesa Title III	20190911	Michael Nadol	Managing Director	\$ 475.00	5	\$2,375.00	editing presentation; research and analysis
Customer Invoice: 106806	Promesa Title III	20190912	Michael Nadol	Managing Director	\$ 475.00	5.5	\$2,612.50	editing presentation; research and analysis
Customer Invoice: 106806	Promesa Title III	20190912	Shua-Kym McLean	Analyst	\$ 275.00	0.5	\$ 137.50	Chart updates
Customer Invoice: 106806	Promesa Title III	20190917	Michael Nadol	Managing Director	\$ 475.00	1.5	\$ 712.50	Proskauer call; research and analysis
Customer Invoice: 106806	Promesa Title III	20190919	Shua-Kym McLean	Analyst	\$ 275.00	1.5	\$ 412.50	Data updates
Customer Invoice: 106806	Promesa Title III	20190920	Michael Nadol	Managing Director	\$ 475.00	1	\$ 475.00	Proskauer call; research and analysis
Customer Invoice: 106806	Promesa Title III	20190920	Shua-Kym McLean	Analyst	\$ 275.00	2.5	\$ 687.50	Data updates
Customer Invoice: 106806	Promesa Title III	20190923	Beth Suchsland	Senior Managing Consultant	\$ 350.00	1	\$ 350.00	comp updates
Customer Invoice: 106806	Promesa Title III	20190924	Michael Nadol	Managing Director	\$ 475.00	1	\$ 475.00	research and analysis
Customer Invoice: 106806	Promesa Title III	20190926	Michael Nadol	Managing Director	\$ 475.00	1	\$ 475.00	review of data
Customer Invoice: 106806	Promesa Title III	20190930	Michael Nadol	Managing Director	\$ 475.00	2	\$ 950.00	research and analysis

INVOICE NUMBER	MATTER NAME	DATE	TIMEKEEPER NAME	POSITION/TITLE	HOURLY RATE	HOURS	FEES	TASK DESCRIPTION
Customer Invoice: 107861	Promesa Title III	20191001	Nadol, Michael	Managing Director	\$475.00	1.00	\$475.00	research and analysis
Customer Invoice: 107861	Promesa Title III	20191002	Nadol, Michael	Managing Director	\$475.00	2.50	\$1,187.50	research and analysis
Customer Invoice: 107861	Promesa Title III	20191007	Nadol, Michael	Managing Director	\$475.00	1.00	\$475.00	research coordination
Customer Invoice: 107861	Promesa Title III	20191009	Nadol, Michael	Managing Director	\$475.00	2.00	\$950.00	editing draft presentation
Customer Invoice: 107861	Promesa Title III	20191014	Nadol, Michael	Managing Director	\$475.00	2.00	\$950.00	editing draft presentation; coordination
Customer Invoice: 107861	Promesa Title III	20191018	Nadol, Michael	Managing Director	\$475.00	0.50	\$237.50	research and analysis
Customer Invoice: 107861	Promesa Title III	20191019	Nadol, Michael	Managing Director	\$475.00	0.50	\$237.50	research and analysis
Customer Invoice: 107861	Promesa Title III	20191022	Nadol, Michael	Managing Director	\$475.00	2.00	\$950.00	editing draft presentation
Customer Invoice: 107861	Promesa Title III	20191022	McLean, Shua-Kym	Analyst	\$275.00	0.25	\$68.75	data charting
Customer Invoice: 107861	Promesa Title III	20191023	Suchsland, Beth	Senior Managing Consultant	\$350.00	1.00	\$350.00	Comparable research
Customer Invoice: 107861	Promesa Title III	20191023	Nadol, Michael	Managing Director	\$475.00	8.00	\$3,800.00	editing draft presentation
Customer Invoice: 107861	Promesa Title III	20191024	Nadol, Michael	Managing Director	\$475.00	7.50	\$3,562.50	editing draft presentation
Customer Invoice: 107861	Promesa Title III	20191025	Nadol, Michael	Managing Director	\$475.00	5.00	\$2,375.00	editing draft presentation

INVOICE NUMBER	MATTER NAME	DATE	TIMEKEEPER NAME	POSITION/TITLE	HOURLY RATE	HOURS	FEES	TASK DESCRIPTION
Customer Invoice: 107862	Promesa Title III	20191101	Nadol, Michael	Managing Director	\$475.00	0.50	\$237.50	quality control oversight
Customer Invoice: 107862	Promesa Title III	20191106	Suchsland, Beth	Senior Managing Consultant	\$350.00	4.00	\$1,400.00	presentation QC
Customer Invoice: 107862	Promesa Title III	20191107	Suchsland, Beth	Senior Managing Consultant	\$350.00	4.00	\$1,400.00	presentation QC
Customer Invoice: 107862	Promesa Title III	20191108	Suchsland, Beth	Senior Managing Consultant	\$350.00	4.50	\$1,575.00	presentation QC
Customer Invoice: 107862	Promesa Title III	20191111	Suchsland, Beth	Senior Managing Consultant	\$350.00	1.50	\$525.00	presentation cite check
Customer Invoice: 107862	Promesa Title III	20191113	McLean, Shua-Kym	Analyst	\$275.00	2.00	\$550.00	Reference tracking and presentation QC
Customer Invoice: 107862	Promesa Title III	20191114	Suchsland, Beth	Senior Managing Consultant	\$350.00	1.50	\$525.00	Project update meeting and citation QC
Customer Invoice: 107862	Promesa Title III	20191114	McLean, Shua-Kym	Analyst	\$275.00	3.00	\$825.00	References reconciliation/check in/PREPA QC
Customer Invoice: 107862	Promesa Title III	20191115	Suchsland, Beth	Senior Managing Consultant	\$350.00	4.00	\$1,400.00	presentation QC
Customer Invoice: 107862	Promesa Title III	20191118	Suchsland, Beth	Senior Managing Consultant	\$350.00	3.00	\$1,050.00	presentation QC
Customer Invoice: 107862	Promesa Title III	20191118	Nadol, Michael	Managing Director	\$475.00	1.50	\$712.50	review of draft
Customer Invoice: 107862	Promesa Title III	20191118	McLean, Shua-Kym	Analyst	\$275.00	2.00	\$550.00	sourcing
Customer Invoice: 107862	Promesa Title III	20191119	Suchsland, Beth	Senior Managing Consultant	\$350.00	4.50	\$1,575.00	Project update meeting and presentation QC
Customer Invoice: 107862	Promesa Title III	20191119	Nadol, Michael	Managing Director	\$475.00	1.50	\$712.50	quality control, project direction
Customer Invoice: 107862	Promesa Title III	20191119	McLean, Shua-Kym	Analyst	\$275.00	2.00	\$550.00	Draft QC of Sources
Customer Invoice: 107862	Promesa Title III	20191120	McLean, Shua-Kym	Analyst	\$275.00	1.00	\$275.00	QC of sources
Customer Invoice: 107862	Promesa Title III	20191121	Suchsland, Beth	Senior Managing Consultant	\$350.00	4.00	\$1,400.00	presentation QC
Customer Invoice: 107862	Promesa Title III	20191121	Nadol, Michael	Managing Director	\$475.00	0.50	\$237.50	project coordination
Customer Invoice: 107862	Promesa Title III	20191121	McLean, Shua-Kym	Analyst	\$275.00	1.00	\$275.00	QC of sources
Customer Invoice: 107862	Promesa Title III	20191125	McLean, Shua-Kym	Analyst	\$275.00	1.50	\$412.50	QC of draft document

EXHIBIT 2

Certification of Michael Nadol

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
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RICO,

as representative of

THE COMMONWEALTH OF PUERTO
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Debtors.

PROMESA

Title III

No. 17-bk-3283-LTS

(Jointly Administered)

CERTIFICATION OF MICHAEL NADOL

I, Michael Nadol, hereby certify:

1. I am a consultant to Proskauer Rose LLP, as counsel to the Financial Oversight and Management Board for Puerto Rico, as representative of the Debtors in these Title III cases, and submit this certification in support of this second interim fee application.

2. Pursuant to Local Rule 2016-1, I certify that:

(a) I have read the application;

(b) to the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought therein conform with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the United States Trustee Guidelines, and the Local Rules; and

(c) the compensation and disbursements sought are billed at rates no less favorable than those customarily employed by me and PFM Group Consulting LLC.

3. Pursuant to Rule 2016(a), no agreement or understanding exists between me and any other person for sharing compensation to be received in connection with this engagement, except as authorized by the Bankruptcy Code or Rules.

I certify under penalty of perjury that the foregoing is true and correct.

Executed on March 16, 2020.

/s/ Michael Nadol